



# Park City Modified Offer

Mia Bearley

to:

Matthew Cohn, Kathryn Hernandez, Maureen O'Reilly, John Dalton

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To: Mia Bearley/R8/USEPA/US@EPA

From: "Polly Jessen" <pjessen@kaplankirsch.com>

Date: 08/27/2010 06:06AM

Cc: "Jason Christensen" <jason.christensen@parkcity.org>, "Tom Daley" <tdaley@parkcity.org>, "Lori Potter" <lpotter@kaplankirsch.com>, <cohn.matt@epa.gov>

Subject: Modified Offer

Mia,

After our last conversation, I relayed to Park City your response that, while Park City's previous offer was well-received, in no event will EPA release capacity unless it is assured of equivalent capacity to dispose of "site waste" if Park City does not reach agreement with EPA to build a new repository. I also relayed EPA's continued reticence to pursue any interim agreement.

With that additional information, Park City asked that I relay a modified offer that provides assurance to EPA of alternative capacity regardless of the outcome of the negotiation of a multi-party agreement. Park City will begin spending \$20,000 per day on Monday to dispose of its development-related mine waste at Tooele and already has spent \$200,000. The modified offer includes putting into escrow the cost of disposing the estimated amount of development waste that otherwise would go to Tooele as security for Park City's commitment to cover costs of an alternative disposal location if EPA needs that capacity in the future. The modified offer is outlined below.

Park City intends to move forward in good faith with negotiation of a multi-party agreement. Again, the objective of pushing for this interim approach is to reach some reasonable approach that will avoid wasting taxpayer money on Tooele that could go to OU3 cleanup.

## Offer

1. Park City will place \$1,000,000 in escrow to secure its obligations below. Interest will accrue and be maintained in the escrow account.
2. EPA will authorize Park City to haul up to an additional 10,000 cubic yards to Richardson Flats immediately. Park City is currently paying slightly less than \$100 per cubic yard for disposal at a permitted facility. Therefore the cost of disposal of 10,000 cubic yards at a permitted facility is \$1,000,000.
3. Park City will agree:
  - a. to negotiate in good faith to reach agreement with EPA regarding cost sharing and response action obligations within the proposed OU3, including construction of a new onsite repository to supplement capacity at Richardson Flats ("Settlement");
  - b. to pay the actual per/cubic yard cost of off-site or on-site disposal of a quantity of waste equal to the quantity of material that Park City disposes of at Richardson Flats, in the event that:
    - (i) Park City has not reached Settlement with EPA;
    - (ii) the Richardson Flats repository has reached capacity with other "site waste"; and
    - (iii) "site waste" remains in Operable Units 2 and 3 of the Richardson Flats Site that has been designated for disposal at the Richardson Flats repository or another on-site repository under the selected remedy.

4. When Settlement is reached, the \$1,000,000 in escrow will be the first funds spent from Park City's contribution (meaning that Park City would not need to contribute additional funds until after the \$1,000,000 had been utilized);
5. If Settlement is not reached, any escrowed funds remaining after payment of disposal costs under paragraph 2 above will be first applied to satisfy any judgment for cost recovery in OU3 that may be awarded against Park City to EPA. Any remainder after payment of the foregoing costs, or expiration of the statute of limitations for cost recovery action, will be returned to Park City.

I understand you are out until Monday, but, as indicated in my earlier message, would like to try to follow up in a meeting or call on Monday, if possible. Thanks, Mia.

Have a good weekend!

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